

**NASD
OFFICE OF HEARING OFFICERS**

DEPARTMENT OF ENFORCEMENT,

Complainant

v.

MICHAEL F. BRINLEE,
Registered Representative
(CRD No. 852723)

Respondent.

**Disciplinary Proceeding
No. 2005001575201**

Hearing Officer

COMPLAINT

The Department of Enforcement ("Department") alleges:

1. Between July 1992 and January 2005, Michael F. Brinlee ("Brinlee") was registered as a General Securities Principal, a Municipal Securities Principal, and a Registered Options Principal with Morgan Stanley DW Inc. ("Member"), a member of NASD. Brinlee is not currently registered with an NASD member. However, on December 1, 2005, the Member filed an amended Form U-5 disclosing, for the first time, that D.R., in her capacity as co-executor of the estate of S.K., had filed a cause of action against Brinlee, alleging among other things that Brinlee misappropriated funds from S.K.'s estate. Brinlee therefore is subject to the jurisdiction of the NASD, pursuant to Article 5, Section 4 of NASD's By-Laws.

**CAUSE OF ACTION
Conversion of Customer's Funds
Violation of NASD Conduct Rule 2110**

2. The Department realleges and incorporates by reference paragraph 1 above.

3. S.K., a public customer of the Member, died on or about December 12, 2004.

4. On or about January 23, 2004, Brinlee and D.R. filed a Petition seeking probate of S.K.'s will.

5. On or about February 12, 2004, pursuant to an Order Probating Will and Appointing Executors, a judge admitted S.K.'s will to probate and appointed Brinlee and D.R. as co-executors of S.K.'s estate.

6. Neither Brinlee nor any of his family, including Brinlee's daughter, was named as a beneficiary in S.K.'s will.

7. Prior to S.K.'s death, Brinlee had authority, pursuant to a General Durable Power of Attorney, to write checks against S.K.'s bank account. The power of attorney was rendered void, as a matter of law, upon S.K.'s death.

8. On or about January 14, 2004, Brinlee misappropriated funds from the estate of S.K. by writing a check against S.K.'s bank account in the amount of \$9,045 and made payable to DePauw University, in order to make a tuition payment for the benefit of Brinlee's daughter.

9. Such acts, practices and conduct constituted a violation of NASD Conduct Rule 2110.

PRAYER FOR RELIEF

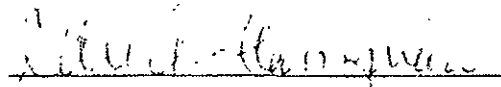
WHEREFORE, Complainant respectfully requests that the Panel:

- A. order that one or more of the sanctions provided under NASD Rule 8310(a), including monetary sanctions, be imposed; and

- B. order that Mattes bear such costs of proceeding as are deemed fair and appropriate under the circumstances in accordance with NASD Rule 8330.

Date: May 23, 2007

**NASD DEPARTMENT OF
ENFORCEMENT**



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